

Shifts in strategy for 2016 and beyond (Part Two)



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As organisations grow more decentralised in nature, planning will no longer happen in isolation and our strategies will need to become ever more adaptable and geared towards the present and immediate future. Constant reorientation will be key in.

In <u>Part One of my article shifts in strategy for 2016</u>, the focus was on <u>the rise of the micro strategy</u>, in this article we focus on another five key strategic shifts we'll see in the future.

Strategic shift #1: "Small data" as the missing link

One of the key industry buzz-phrases in recent years has been "big data" – a term which encompasses the ever-increasing volume of data available today, that is so extensive and so indefinite that it is difficult to process using traditional methodologies. Ironically, as data becomes easier (and less expensive) to acquire, it is also becoming all the more difficult for us to discern what information is worth our attention as strategists.

In the future, corporate-owned big data, on its own, will be less valuable than "small data" – the more immediately actionable, digestible nuggets of data, which are often owned by consumers themselves – in gaining a competitive advantage in the marketplace. This is especially relevant when one considers that competitors often have access to the same databases and information resources. Successful planning shows that, very often, big insights can come from small data!

Strategic shift #2: Paying attention to the outliers

Going forward, we can expect to see marketers and strategists making use of data and insights in unconventional ways, to drive more inspired strategic thinking and creative output. One such method takes into account the so-called "outliers" – the anomalies in a given dataset – rather than following the obvious trends, which are more likely to be visible to (and thus leveraged by) competitors. Although risky, this allows us to target specific niches and unserved needs that can provide a strategic edge. Aligned to this, we will also see more brands paying attention to their indirect competitors.



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Many brands are successfully using outlier insights to differentiate their propositions and/or offerings. One such manifestation of this shift was seen in the recent international launch of the McDonald's Egg White McMuffin, which tapped

into the niche trend of "ugly chic". While fast food brands are often notorious for cookie-cutter perfect portrayals of their offerings to consumers, McDonald's took a more authentic and honest approach by strategically making its Egg White McMuffins less than perfect and thus, perceptually, less refined or processed. The success of this launch demonstrates that strategy increasingly needs to be "creative" in leveraging insights that would otherwise have been overlooked. We need to remember that generic insights and plans will only yield generic outputs!

Strategic shift #3: "Talking with" vs. "Shouting at"

The days of "mass marketing", which predominated in the 20th Century, are clearly behind us. However, the style of communication prevalent in that era continues to be seen in today's world. In particular, this is witnessed in the ongoing tendency of many brands to "shout at" their consumers in order to capture their attention. Ironically, the opposite effect often prevails in such cases – with consumers becoming more sawy and adept at blocking out, zipping and zapping overt, often irrelevant commercial messages.

Even in non-traditional channels such as digital and social media (which started with the express intent to spark connections and conversations), we have seen brands revert to shouting via intrusive mass media-esque tactics, such as Facebook's timeline ads and Twitter's promoted tweets. Recent studies highlight the inherent irritation factor and often, correspondingly low click-through rates attained via these tactics – which leads one to question their effectiveness in reaching consumers and building brand equity.

The key question for strategists is thus: Where do we go from here in the digital space? Essentially, it is critical that we remain cognisant of the fact that today's consumers do not respond to being shouted at. The antidote lies in striving to get the conversations going in the market, listening to and – most importantly – "talking with" consumers. Aligned to this, brands will also need to ensure ongoing cultural relevance in their consumer engagement activity (even striving to position themselves as cultural influencers, where possible), ensuring that conversations are both timeous and topical.

Strategic shift #4: Overcoming the digital backlash

There is hardly a brand in existence today that has not developed some form of digital, mobile or online strategy – or, at least, recognised the need to do so. However, stemming off the preceding trend, research is increasingly pointing to the fact that digital marketing is at a crossroads in today's cluttered, saturated market. Although investment levels (including digital adspend) continue to rise year-on-year, factors such as ad blocking, commercial information overload and "opt out" databases are raising serious questions and concerns around the value that many brands are actually realising in cyberspace.

For contemporary strategists and creatives alike, the onus will lie onus to continue seeking out novel ways of connecting with consumers in cyberspace. For instance, the growing field of content marketing – cited as "the future of marketing" by 78% of chief marketing officers in a recent international study by marketing research and advisory firm Demand Metric – will become even more critical in years to come.

Strategic shift #5: The growth in connections planning

Another key buzzword in today's Sharing Economy is "collaboration", which is changing the face of marketing and communications - industries in which hierarchies and siloes have often been the norm for organisations in the past. In future, more brands will move to a "connections planning" framework, which necessitates input from disparate data sources and coordination among various stakeholders - ranging from researchers, data experts and planners, to creative teams and even end consumers themselves - from a much earlier stage in strategic and campaign development.

In recent years, several brands (both globally and locally) have tapped into this growing trend of involving end consumers as strategic and/or creative participants. For instance, Starbucks successfully leveraged the collective knowledge of its customer base to inform new product development via its dedicated "My Starbucks Idea" website. The site, which invites customers to share, discuss and vote on new product or service ideas, recognises the importance of consumers' custodianship in relation to their favourite brands. As per the site: "You know better than anyone else what you want from Starbucks. So tell us. What's your Starbucks idea? Revolutionary or simple – we want to hear it."

Another example of this trend is the recently launched Discovery Channel "Think Tank", an initiative whereby viewers are invited to provide feedback via online research panels, effectively placing them in the driving seat in terms of shaping channel content. Similarly, when UK insurer Norwich Union relaunched under the global name Aviva, it turned to its customers to help mould the messaging during a tricky brand migration process, via an innovative, collaborative technique called "Customer Councils". Together, its marketing team and customers essentially co-created the rebrand communication strategy.

So what does the future hold for strategy and strategists? In a nutshell, the continued evolution within the field of strategic planning will see a shift towards something that has been termed "experience architecture": a flexible, insights-driven, interdisciplinary and collaborative approach that places the consumer experience at the core of everything we do. In order to engage consumers meaningfully - today and in the future - we thus need to remember that the age of the passive audience is over. And that increasingly, brands will turn to their target consumers for both strategic and creative inspiration.

In closing, it's all about consistent and ongoing engagement – on all levels and often beyond the obvious. As organisations continue to grow more decentralised in nature, planning will no longer happen in isolation. To this end, we will need to ensure that strategy, creative and customers remain aligned (and engaged) throughout.

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